

5,636,292); 08/436,099, filed May 8, 1995 (now patent 5,710,834); 08/436,134, filed May 8, 1995 (now patent 5,748,763); 08/436,102, filed May 8, 1995 (now patent 5,748,783); 08/508,083, filed July 27, 1995 (now U.S. Patent 5,841,978); 08/534,005, filed September 25, 1995 (now U.S. Patent 5,832,119); 08/614,521, filed March 15, 1996 (now patent 5,745,604); 08/637,531, filed April 25, 1996 (now U.S. Patent 5,822,436); 08/746,613, filed November 12, 1996 (now U.S. Patent 6,122,403); 08/763,847, filed December 4, 1996 (now U.S. Patent 5,841,886); 08/951,858, filed October 16, 1997 (now U.S. Patent 6,026,193); 08/967,693, filed November 12, 1997 (now U.S. Patent 6,122,392); 08/969,072, filed November 12, 1997 (now U.S. Patent 5,809,160); 09/074,034, filed May 6, 1998 (still pending); 09/074,632, filed May 7, 1998; and 09/127,502, filed July 31, 1998 (still pending).--

## REMARKS

### I. Introduction

The period to respond is a shortened statutory period of three (3) months from the mailing date of the Office Action. Applicant has concurrently filed a Petition for One Month Extension of Time with this Response to extend the period to four (4) months. Accordingly, the Response to the Office Action is now due on or before Monday, November 20, 2000.

The present application is a continuation of Ser. No. 08/649,419, which ultimately issued as U.S. Pat. No. 5,862,260 to Rhoads. In addition, the present application is a continuation-in-part of Ser. No. 08/438,159, which ultimately issued as U.S. Pat. No. 5,850,481 to Rhoads. Prior to this Office Action, claims 2-21 were pending in the present application. The Office Action dated August 4, 2000, rejected claims 2-21 under 35 U.S.C. § 103(a) as being obvious in view of U.S. Pat. No. 5,721,788 to Powell et al. ("Powell") and U.S. Pat. No. 4,977,594 to Shear et al. ("Shear"). In response, Applicant has shown that Powell and Shear, whether considered alone or in combination, fail to disclose, teach, or suggest all of the elements of claims 2-21.

Applicant has amended the Related Application Data paragraph in the specification to reflect the issuance of various patents and to correct a typographical error (i.e., amended "08/598,083" to read "08/508,083"). No new matter has been added to the application by way of this amendment. Claims 2-21 are now pending. Applicant therefore respectfully requests reconsideration and allowance of claims 2-21.

## **II. Argument: The Present Invention is Novel and Non-Obvious**

Claims 2-21 are patentable over the references of record for at least four reasons. First, there is no teaching or suggestion appearing in the prior art to modify the references to achieve the claimed invention. Second, the references do not identify the problems solved by this invention. Third, the references teach away from the present invention. Fourth, no reference by itself or in combination with any other reference discloses the limitations set forth in the pending claims. Consequently, claims 2-21 are patentable.

### **A. There is No Basis in the Art for Combining or Modifying the Prior Art**

“Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, *absent some teaching, suggestion or incentive supporting the combination.*” In re Geiger, 815 F.2d 686, 688, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987) (emphasis added). Thus, a showing of teaching is an “essential evidentiary component of an obviousness holding.” C.R. Bard, Inc. v. M3 Sys. Inc., 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232 (Fed. Cir. 1998). Furthermore, the showing of teaching “must be clear and particular, and broad conclusory statements about the teaching of multiple references, standing alone, are not ‘evidence.’” Dembiczak, 175 F.3d at 1000, 50 USPQ2d at 1617.

The Examiner asserted that the present invention is obvious “[g]iven the teachings of [Powell and Shear] and the same environment of operation[, because] both systems are primarily concerned with the usage of and protection of digital data.” (Office Action at 3). Applicant respectfully submits that the showing of suggestion proffered by the Examiner is not clear and particular. Specifically, the statement that “both systems are primarily concerned with the usage of and protection of digital data” is conclusory and does not mean that there is a motivation to combine Powell and Shear.

Powell, for example, embeds data in an image by adjusting or changing selected pixel values. Assuming *arguendo* that Shear applies to images (and Applicant does *not* submit that Shear applies to images), Shear encrypts the image itself without embedding data. While both systems protect and/or regulate data usage, they do so in different ways. There is nothing in the prior art that teaches, suggests, or discloses that these two different ways should be combined. In addition, nothing in the prior art teaches, suggests, or discloses that it would be advantageous to combine Powell and Shear.

Furthermore, the examiner states that “the obtaining of audio or image files from plural different Internet sites is well known and widely utilized in the prior art.” (Office Action at 3, 6, and 8). Assuming *arguendo* that this is the state of the prior art (and Applicant does *not* submit that this is the state of the prior art), there is nothing that teaches, suggests, or discloses that “the obtaining of audio or image files from plural different Internet sites” should be combined with Powell and/or Shear. In addition, nothing in the prior art teaches, suggests, or discloses that it would be advantageous to combine “the obtaining of audio or image files from plural different Internet sites” with Powell and/or Shear.

The Federal Circuit has stated that “the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.” In re Dembiczak, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) (reversing obviousness rejections). Applicant respectfully submits that the Examiner’s showing does not meet this stringent requirement. As such, the present invention is novel, non-obvious, and not just “a routine design choice [that] fails to patentably distinguish” over the prior art. (Office Action at 5). Consequently, claims 2-21 are patentable. *See, e.g., Geiger*, 815 F.2d at 688, 2 USPQ2d at 1278.

**B. The Cited Reference Does Not Identify the Problems Solved by This Invention**

The solution to a problem, once known, is often obvious even when the recognition of the problem itself is not. In re Peehs, 612 F.2d 1287, 204 USPQ 835 (CCPA 1980).

A patentable invention may lie in the discovery of a source of a problem even though the remedy may be obvious once the source of the problem is identified. This is part of the “subject matter as a whole” which should always be considered in determining the obviousness of an invention under 35 U.S.C. § 103.

*Id.* at 1290, 837. In Peehs, the court held that to establish a *prima facie* case of obviousness where the advance in the art lies in the discovery of the problem, the examiner must provide evidence that a person of ordinary skill in the art at the time of the invention would have expected a problem to exist. *Id.*

In this case, Shear does not identify the accessibility problem associated with encryption. Assuming *arguendo* that Shear applies to images (and Applicant does *not* submit that Shear applies to images), Shear requires them to be encrypted. Because “the only way to obtain [a visible image] is to

decrypt it,” (Shear at Col. 5 lns. 60-61) Shear makes images inaccessible to users not possessing the decryption system. This inaccessibility is very detrimental to, for example, news media web sites that display images to impulse or non-subscribing visitors.

In addition, Shear does not identify the copying problem associated with decrypted database documents. Instead, Shear asserts that it “*absolutely* prevents unauthorized database use and copying.” (Shear at Col. 3 lns. 51-52 (emphasis added)). Once a database document is decrypted, however, a user could conceivably copy and disseminate the unprotected document.

Because the prior art does not identify these problems, claims 2-21 cannot be obvious in view thereof, and the claims are therefore patentable for these reasons as well. *See generally* Peehs 612 F.2d 1287, 204 USPQ 835.

**C. The Prior Art Teaches Away from Applicant’s Claimed Invention**

In short, “teaching away” is the antithesis of the prior art’s suggesting that the person of ordinary skill should go in the claimed direction. Essentially, teaching away from the art is a *per se* demonstration of lack of *prima facie* obviousness. *In re Dow Chemical Co.*, 837 F.2d 469, 5 USPQ2d 1529 (Fed. Cir. 1988); Fine, 837 F.2d 1071, 5 USPQ2d 1596. In this case, Shear teaches *encryption* as a means to protect and/or regulate the usage of databases. (*See generally* Shear). This is the direct opposite of the teaching of the present invention. In contrast, the present invention teaches *watermarking* as a means to protect and/or regulate data.

Because the cited reference “teaches away” from the claimed invention, claims 2-21 are *per se* novel and non-obvious, and are therefore patentable. *In re Dow Chemical Co.*, *supra*; *In re Fine*, *supra*.

**D. No Cited Reference Teaches, Suggests or Discloses the Limitations of the Claims**

When evaluating Section 103 non-obviousness, all claim limitations must be considered, especially when missing from the prior art. *See In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) (Federal Circuit held that a combination of references was non-obvious because, *inter alia*, the examiner ignored a claim limitation that was absent from the reference); *see also In re Evanega*, 829 F.2d 1110, 4 USPQ2d 1249 (Fed. Cir. 1987); Jones v. Hardy, 727 F.2d 1524, 220 USPQ 1021 (Fed. Cir. 1984) (trial court erred in judging the obviousness of the “idea” behind the invention, rather than determining the patentability of the claim).

Applicant respectfully submits that the Examiner disregarded several limitations in the claims. For example, Shear fails to teach, suggest or disclose a system that "generates report data for relaying to such proprietors." (Application Claims 19-20). In rejecting claims 19-20 as obvious, the Examiner failed to mention this claim element, or its location in the prior art. Therefore, since no reference by itself or in combination teaches, suggests or discloses the above-identified limitations, the claims are patentable. *See, e.g., Fine*, 837 F.2d 1071, 5 USPQ2d 1596; *Evanega*, 829 F.2d 1110, 4 USPQ2d 1249; *Jones*, 727 F.2d 1524, 220 USPQ 1021.

### III. Conclusion

For the foregoing reasons, claims 2-21 are patentable and allowable over the art of record. Should there be any outstanding matters that might hinder allowance of the application, the Examiner is respectfully urged to contact the undersigned to arrange for a telephone interview.

Respectfully submitted,

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